General Services Customer Council Meeting

June 20, 2008

Members Present
Charlie Smithson, Ethics & Campaign Disclosure; Jennifer St. John, DNR; Peggy Sullivan, Judicial; Margaret Thomson, IDALS; John Baldwin, DOC (Present 1st part of meeting via phone); Marcia Spangler, IDPH; Mark Brandsgard, Legislature; Dave Heuton, DPS (Present last part of meeting via phone).

Members Absent
Ann Clary, Secretary of State's Office; Greg Anliker, Elder Affairs; John Connors, Member of Public; Keith Hyland, Voc. Rehab.; Bob Straker, AFSCME.

Others Present
Mollie Anderson, DAS Director; Ray Walton, DAS/GSE-COO, Debbie O'Leary, DAS/GSE; Dale Schroeder, DAS/GSE, Tim Ryburn, DAS/GSE; Nancy Williams, DAS/GSE; Barbara Bendon, DAS/GSE; Mark Blazek, DAS/GSE; Laura Riordan, DAS; Paula Newbrough, DAS/Fleet & Mail; Ken Thornton, DAS/GSE; Paul Carlson, DAS/GSE; Pat Mullenbach, DAS/Finance; Julie Sterk, DAS/Finance; Meghan VanWyk, IA Ethics and Campaign Disclosure; Cindy Axne, DOM.

Call to Order
Meeting was called to order by Chairperson Charlie Smithson at 9:10 a.m.

Roll Call
Member roll call taken by Nancy Williams.

Approve Minutes of March 14, 2008 meeting
Minutes approved as submitted.

FY09 Requests – Action Item
Ray Walton advised there was only one FY09 Action Item and that involves Association fees. As you recall a few months ago when we met DAS had incurred enormous winter related expenses and we were granted a nearly $75,000 increase to bridge us through the expenses incurred last winter. We believe we are going to end the FY right on budget due to good management on Tim Ryburn & Bonita Lane's part. We all know that anything related to energy has increased in cost, from supplies to trucking and to fuel itself. In addition, like all agencies, we are faced with some COLA increases in salary. Tim Ryburn is going to talk to you about an increase from $3.10 a square foot to $3.25 per square foot which is a 4.6% increase.

Tim Ryburn reminded everyone when we originally proposed the FY09 rate of $3.10; this was substantially down from what it was in previous years. Since then, no one could have predicted what we are seeing in the way of energy costs which are being passed along from vendors that do business with the State. We had originally asked for $3.10 per square foot for FY09; however, given what we are seeing today, the increased ratewbe believe we need in order to manage and maintain services is $3.25 per square foot. The packet (copy attached to the minutes) gives a break-down of what this cost means to each agency and how it will impact each agency. Mr. Ryburn stated in order to maintain services to agencies it is important that we don't go into the red and we try to manage as tight as we can noting his department is "running on fumes" for the FY08 year

Mr. Walton added that Tim, Bonita and staff are doing a wonderful job of managing the balance between expense and good quality of service, noting this is a very thin edge to walk on. Ray added that Space Management is included in this also.

Chairman Smithson summarized that the Council approved $3.10 per square foot starting July 1, 2008 and DAS is now asking the Council to revisit that rate and increase it to $3.25 per square foot effective July 1, 2008 (FY09).

Mr. Ryburn noted if we do not receive this increase, we will have to come back to talk about ways to modify services in order to meet this budget without going into the red. Tim advised that unfortunately costs are escalating across the board for the cleaning operations, mechanical operations, for parts, repairs, belts, etc.

Chairman Smithson noted that if the Council approves this, we are telling the agencies that in ten days they are going to get a bigger bill (starting July 1, 2008) than they had planned, anticipated or asked the Legislature for.

Director Anderson advised the only other alternative is to tell us how you would like to modify your services. Tim Ryburn stated this increase is for the Capitol Complex only; it will not impact Ankeny Laboratories.

Chairman Smithson asked staff how DAS arrived at the fifteen cent increase. Mr. Ryburn stated this was based on contract increases, supplies, outside services, increases in attorney general costs, auditor costs, etc. which is about $188,000 increase that we project for FY09. Mr. Walton added that we are very reluctant to come to the Council to ask for an increase because of the late hour and we know it has an impact on services. Mr. Walton stated he is convinced Tim, Bonita & Ken cannot provide the services which the Capitol Complex deserves on the $3.l0 per square foot, noting they are careful able managers but with the increases they are seeing in virtually every category they need this increase.

Marcia Spangler stated she understands the reasoning since they are also hit with the same issues in their budgets; however, she is very concerned because it comes so late and their agency will now have to cut something else to pay DAS so you don't cut services. You have to choose what kind of services you want to cut.

John Baldwin stated this is a reality and thinks this has to be funded but he is not happy that it is coming two weeks before the fiscal year starts, but it is a cost of doing business and we have to pay that cost. Mr. Baldwin stated he would clearly like to encourage GSE to make sure they are doing everything they can as they have in the past, refunding money when they can and to encourage some sort of campaign to save electricity, etc.

MOTION: Margaret Thomson stated she believes Tim has done an excellent job of managing things and while she is not very comfortable bringing this back to the office, she was willing to make a motion to approve the FY09 rate increase from $3.10 per square foot to $3.25 per square foot effective July 1, 2008. John Baldwin seconded the motion. Roll call: Jennifer St.John – Yes, Margaret Thomson – Yes, Marcia Spangler – No, Mark Brandsgard – Yes, Peggy Sullivan – Yes, Charlie Smithson – Yes, John Baldwin – Yes. Motion Passed.

Approval of utility rates for FY2010 – Action Item

Ray Walton asked everyone to refer to Page 4 which outlines the GSE Rate Reductions and shows we have been able to reduce Utility rates in the amount of $3.4 million dollars in nineteen different actions. Looking ahead at FY10 you are going to see many of the divisions holding steady and three have proposed increases. In the CCM area we are anticipating increases in FY10 which will result in another increase to $3.41 per square foot which is still under the amount in FY06.

Tim Ryburn stated that four cents of the increase will go to Space Management. Mr. Walton added he thought Space Management is under-staffed, there are simply demands that Barb Bendon couldn't meet and we augmented staff to try to give better service to the agencies. Of the four-cent increase it is virtually all Space Management staff expense.

Chairman Smithson noted DAS is asking for an overall sixteen cent increase per square foot. Mr. Walton stated what is driving this increase is exactly what was driving it in '09, the same anticipated increases and four cents of this is Space Management which we believe has been under-funded in the past.

John Baldwin advised he certainly had difficulty adding staff to anybody's budget right now because of the uncertainty of what lies ahead for us in the foreseeable future. I certainly think we could wait a month or two on that particular part at least wait until September to have a conversation about what staff to add, it sends the wrong message to the rest of state government that we are adding staff at a time where this year might not be a good fiscal year. Ray Walton stated we have the North Office Building that is coming into play, IUB/OCA which is going to require space management and we cannot meet the demands of the agencies now when they want to do a reset, we have to go outside to have the drawings done, we have to pay for this and we don't always get timely service. I think we are going to incur this expense anyway and certainly appreciate the reluctance to hire additional staff but this is FY10 and we anticipate a lot of demands relative to the buildings and the relocations. Director Anderson stated this is not a new position, these are positions that have been in the department in the past, and these are vacant positions which we are filling. We have attempted to do this with a one person leasing operation and have discovered it is not working out from a staff perspective. Mr. Walton noted the four cents amounts to about $58,000. Chairman Smithson stated he was not worried about the four cents stating that he has always felt we have under-funded Leasing and Space Management; however, he is more worried about the other twelve cents.

John Baldwin asked if he was hearing that DAS is asking for two years back-to-back 4% increases, Ray Walton confirmed it was slightly over 4% each year. (With that comment, John Baldwin signed off – 9:30am). Mr. Walton stated the FY06 rate was $3.51; FY07 was $3.44 and cut to $3.10 in FY08 and noted there just isn't much of anything that isn't increasing in cost and even at the proposed $3.41 we are under the FY07 and FY06 rate.

Director Anderson advised you need to ask yourself how many of you have a status quo budget that you are submitting to Legislature and I assume you each have increases and you take that to the vehicle that you have available. This debate will also be heard as you go forth with your budgets and your appropriation requests, if they don't believe they are appropriate then they will not fund it and we'll be back having this discussion about what services you want. We have to put before you what we think is the best estimate of those expenses for the upcoming year. If your budget isn't approved and you don't have the money to pay the services then we are at a point of asking how do you want to modify the services. If you don't put the money in, you have lost the battle before you start.

Tim Ryburn stated that if we put a budget together that we know we are not going to make, that would be inappropriate for me to bring to you and say it's going to be a low rate but I'm going to be in the red. We have never seen gas prices like we see now, there doesn't seem to be any change in sight although that is not all the things driving the increase, every time someone raises a rate, whether it's IT, AG, etc., it comes back and we have no other way of passing it on. We are not adding new staff, we are trying to maintain status quo. As a reminder, we do bring in people such as AARP that have no cost to us to assist with service levels without passing it on to you.

Chairman Smithson stated he was uncomfortable from the fact that this Council ends in ten days and I don't know why we would vote today to give GSE the proposed increase of that nature when there is a new Council that will be in place soon noting he would like to have the new Council make this decision.

Marcia Spangler advised she has had a casual conversation with DOM before the flooding and was advised that we had better be prepared as agencies that we would be requested to submit a less than status quo budget to them. Marcia noted the floods are going to change the financial picture for all of us since there are huge needs out there now, stating she was hesitant to vote on a budget before we have direction from DOM as far as agencies, what kind of budgets we are going to be able to submit to them.

Director Anderson advised it would take DOM time to put together the Council and asked all the Councils to complete the rate setting for this year understanding that you cannot finalize them because your Council would not be in effect at that time. The point is, DOM is asking for you to do the preliminary work of identifying a rate and with the exception of this Council, that has been done. If DOM decides these are rates that they will not fund, we will be back with this discussion with the next Council. If you don't attempt to put the funding in, you have asked us each year, eighteen months in advance, to use the best crystal ball that we have, to say what expenses will be and in this case, this is what we are doing. If the Governor's office, the Legislative body and DOM decide they will not support those rates that answers the question, but for you not to submit it is basically saying you want to agree at this point in time to just cut services.

Cindy Axne from DOM advised what Director Anderson indicated was that DOM is encouraging the Councils to finalize the rates in the time frame originally stated which is by the end of this fiscal year. DOM is not in a place where we are able to turn that over to the new Council immediately beginning in July, noting it is not fully formed at this point and the transition is in progress. The expectation is that the rates would be decided upon before that time and then there would be the one month period for discussion with the new Council and DOM, but the rates would already be decided. Your vote should be based on the information you have received to date and the advice GSE is giving and the research they have done and DOM is very well aware that there could be changes in the appropriation because of the flooding situation but we are keeping that as a separate item at this time so we can move forward in the direction of the Councils and at least complete this part of it and we'll adjust it as necessary.

MOTION: Jennifer St. John advised that since we are not really sure what is going to happen with the budget and we have already approved the $3.25, I would be more willing to approve the status quo budget from FY09 to FY10 at $3.29 than I would at $3.41. Margaret Thomson stated she would second that. Jennifer advised at least that would be a starting point and they could make adjustments and a final rate can be decided by September 1 or whatever date they decide. Margaret Thomson stated at this time she would not be at all comfortable supporting another increase but hold it where we put it for FY09. (Motion withdrawn after much discussion)

(Dave Heuton joined the meeting via phone at 10:00am)

Dave Heuton agreed that the Council has to make a decision, otherwise DAS has no authority to operate without a budget noting that it makes sense to approve as a Council what DAS has proposed and if our successor Council believes something else should have been done they could act on that.

Peggy Sullivan stated she sees this as a request and it certainly can be cut later if not approved by whoever approves your individual budgets or the Legislature. Cindy Axne stated DOM would like to see rates basically set to go into the 30-day discussion period that there can be changes, especially if there are some major cuts due to the flooding or any other reasons. The expectation is that the rate does come out of today's meeting so moving forward we can continue in the same process that we have been operating under.

MOTION: Marcia Spangler moved to approve a rate of $3.29 per square foot for FY10 (includes 4 cents for space management increase). Mark Brandsgard seconded the motion.

Chairman Smithson stated he wanted to put on the record that DAS has asked for $3.41 per square foot, the new Council will have to decide if this is the right number or not.

Laura Riordan advised that the recommendation of this Council will not be communicated only to DOM, but is the rate that is going out in the communication distributed to all agencies for their comments over the month of July – what you vote on today will be communicated to all agencies. The new Council will meet in August and will review all of the rates that were tentatively set by the four Councils, they will review any comments from customer agencies and if there is any changes at that time a communication will be sent out.

(Item temporarily tabled – going to listen to the presentation regarding Fleet)

Fleet Presentation:
Dale Schroeder directed members to refer to Page 22 of the handout, talking about the Fleet Management budget noting essentially the methodology for the rate has not changed over the last four or five years. It is a function of the budget divided by 1/12th divided by the number of active vehicles that the agency has in the fleet. This is how we develop the rate, noting the rate can change monthly dependent upon the number of vehicles you have active in your fleet. We are asking for a significant increase in the total budget this year (please refer to page 24 which shows the allocation of the budget). We are asking for an increase of roughly $290,000 which comes from various areas including the auditor's fees and attorney general's fees which went up significantly. We also decided the way our staff was allocated internally it was best that we take 50% of Mark Blazek's salary which was originally all allocated to Risk Fund and to satisfy the auditors, we need to take 50% since he is also supporting Fleet Management 50% of the time. Additionally, the reason the fee is going up significantly is a decision internally we made to re-assess how we calculated shared services between the various enterprises within GSE. The primary reason is the significant number of accounting transactions that go into the Fleet Management area. We have 2800 vehicles and are generating annually approximately 200,000 Wright Express transactions each year and about five years ago we had approximately 25,000 claims come in which generated over 5,000 to 6,000 warrants paid in maintaining the transactions. The Accounting Staff in DAS spend a larger percentage of their time supporting Fleet transactions than they do any of the other transactions within our enterprise. The same percentage increase you see here has been absorbed in FY09 budget by some cut-backs but basically from a balance brought forward. We are not coming to you requesting any increase in FY09.

Director Anderson pointed out this is not an increase in staff, it is a redistribution of the expenses within GSE to accurately reflect how people are spending their time. The auditor has been relentless about making certain that whatever is the cost of the product, there is the full cost of the staff associated with that, it has to be justified based upon some other criteria, therefore this is a true-up of the cost for Fleet Management. Dale pointed out because of the nature of the business; there are a large number of small transactions in Fleet.

Director Anderson advised shared services is shared by the enterprises themselves and the leadership functions are funded by an appropriation. Leadership functions are rule setting (attorney), legislative liaison and the director's office. The services such as accounting, communications, etc. are all funded under shared services expense distributed among the enterprises on the basis of what percentage of their time is used.

A member asked where the services were previously allocated that has been transferred in; Dale advised they were distributed to other areas of the enterprise within GSE. A member asked if there was an equal budget reduction someplace since there is this shift, it was noted it was.

Chairman Smithson noted that if an agency wanted to reduce their cost in this area, they would have to get rid of vehicles. They have some control over their amount of usage – they have a chance to reduce their billing by getting rid of cars. This does give the customer some control over their budget in this area.

Dale noted Fleet is reducing the budget and expenses to the departments in the mail area by $65,000 and this is also a part of the true-up of accounting services supporting that business unit. We are able to do this because of the reallocation of the shared services.

The vehicle charge is approximately $21.37 per vehicle, which may change marginally depending on how many vehicles an agency has.

(After a Five Minute Break)

Leasing

Barb Bendon asked for a few minutes to point out in the Seat of Government Leasing Fee should have been eleven cents per square foot and last year there was a "rounding error", it was .1097 and got rounded down to ten cents per square foot. We are asking for a penny increase in the Seat of Government leasing – you will feel the effect of two cents per square foot because of this – it will go from ten cents to twelve cents. This only applies to those agencies leasing in Des Moines, there are 190,000 feet (+or-).

MOTION: Jennifer St. John moved to approve the increase from ten cents per square foot to twelve cents per square foot for Seat of Government leasing fee. Margaret Thomson seconded the motion. Roll Call: Jennifer – Yes, Margaret – Yes, Marcia – Yes, Mark – Yes, Peggy – Yes, Charlie – Yes, Dave – Yes. Motion passed.

Marcia Spangler noted she was still uncomfortable with the talk of the offsets; I am curious where that offset went? I understand what Dale is saying and I am not saying the need is not there and I understand the true-up costs and the Feds coming in but I would just be interested in seeing where the offsets went to since I don't see any decreases on our sheets for rates to show – someone is benefiting from that, but now Dale is going to pick up a bigger cost share – so who is benefiting from that?

Ray Walton advised this was re-allocated among the other operating units, so those would have enjoyed the benefit and therefore not have increases – it was re-allocated within the GSE family.

Director Anderson stated basically we have the shared services expense, there is a fixed figure and how much is charged to each one of those and DAS Accounting should be able to show you which one had less. Pat Mullenbach (DAS Accounting) stated she could produce this document by the end of the day or sooner. Director Anderson stated she wants the Council to be able to see this; if they have a question about it she doesn't want anybody to have an outstanding question about whether we credited that someplace else.

Chairman Smithson stated the basic issue is we have $289,000 that is just a kind of a wash, it is just moving around. Director Andersons stated there is a portion of the $289,000, not the total $289,000; a portion of the increase in expense is in shared services to the degree that Marcia Spangler asked the question about what percent of that increase is being driven by the shared services. Dale noted a good share of that came from the increases to the AG costs, Auditor costs and the transfer of 50% of Mark Blazek's salary. Dale added that we did not ask for an increase or decrease in the in Risk Management noting that account is driven by our desire to have a reserve of approximately one million dollars plus sixty days working capital to cover the eventuality of four claims to the maximum of $250,000 each. We have had this historical goal to maintain that reserve balance for years. The other pieces to Risk is our collision experience and our tort liability experience noting that last years experience was a little bit higher than ordinary so we are trying to get our account back up to $1.25 million. Dale pointed out that we zeroed out the last two months of this year. Ray Walton stated we are about one car accident away from it going down a little or sixty days in claims-free experience going up a little bit. Dale pointed out that we have been very excited about eliminating premiums all through the past several years to get that reserve where we want it to be, we are projecting your rate out eighteen months in advance right now, certainly if between now and the effective date of this rate, we would adjust the rate.

Dave Heuton stated he has some concerns about it since it is a large impact for DPS however he understands this is the cost of doing business and he would trust that when the budgets were developed that a lot of consideration was given to whether or not there was any place that some savings could be had before coming forward with a budget.

MOTION – Dave Heuton moved the approval of the budget items that are status quo. Margaret Thomson seconded the motion. Roll Call vote – Jennifer St. John – Yes, Margaret Thomson – Yes, Marcia Spangler – Yes, Mark Brandsgard – Yes, Peggy Sullivan – Yes, Charlie Smithson – Yes, Dave Heuton – Yes. Motion passed.

MOTION – Mark Brandsgard moved to approve the Fleet Management increase of $289,193.64 (approximately $21.37 per vehicle). Dave Heuton seconded the motion. Roll call vote – Jennifer St. John – No, Margaret – Pass, Marcia Spangler – Pass, Mark Brandsgard – Pass, Peggy Sullivan – Pass, Charlie Smithson – Yes, Dave Heuton – Yes. Motion Failed.

Moving back to the Association fee – Chairman Smithson stated he understands why DAS asked for $3.41, this is their chance to ask for it because if they don't ask for it now, you don't get it. Chairman Smithson stated he also understands that some Commission members are concerned about approving $3.41. If something is approved less than $3.41, DOM would like to hear from the Council then what we don't want as far as services. Cindy Axne stated the decision was made on exact reasons so that DAS would be aware of the services that they don't need to provide. The preference would be that you make the decision based on what you believe are the services you want and that DAS says they will cost and that you trust that what they have done is in the best judgment and if its $3.41, then it's $3.41. If that is not an agreeable rate you would have to determine what services DAS wouldn't be expected to provide.

Marcia Spangler asked if DAS participated in the vacation buy-out? DAS advised that yes we did participate in this for approximately $16,000. Director Anderson advised vacation is a liability whether you pay it now or you pay it later. If you can pay it out at a lower rate, my concern is that if you carry all the vacation forward every year you may not have adequate funds to pay that expense because you only have sixty days working capital. The decision was made strictly from an accounting perspective since it makes more sense to pay it out at a lower rate. We did not allow the full 40 hours, we allowed up to 20 hours on the buy-out. If you are going to be in business, you always want to pay a liability at the lowest possible rate.

(It was noted we are still on Marcia Spangler's motion which was for $3.29 for FY2010 and Mark Brandsgard had seconded the motion – Motion has not been voted on yet)

Chairman Smithson asked for more clarification from DOM about what is going to happen moving forward. Cindy Axne stated the expectation that DOM would hope to come out of each Council that would best serve the transition in moving forward would be that the rates are decided upon in a fashion they have always been decided upon and that we don't bring in speculative information because of current circumstances, that we continue to follow the same process. The only debate that would come into play would be in the increase where there are services that have been increased that you think that you don't need or you don't want to pay that for and therefore your rate should be different. DOM needs this Council because of the information that this Council brings to the table and the knowledge you have to make the soundest decision about what you think the service level cost should be. Moving into the new Council we certainly won't have, at least from the beginning, the knowledge base that you have in regard to making these decisions. It really is in everybody's best interest enterpris-wide that this Council brings that decision to fruition because you are the best people to make it. We urge you to make the decision that you would normally make as you have done in the past years that makes the most sense for the enterprise.

Director Anderson stated there is a motion on the floor for $3.29, if you take the $3.29 one of the things that could be done is to simply to still allow DAS to answer the question of what can't we do if it is $3.29 and we would simply bring that forward to DOM and if they want to entertain that other amount they could. While I would prefer the $3.41, we have to have something in there or agencies are not going to have it budgeted. If you are saying as customers, I really can't afford to pay this, and then we would want you to go back and try to figure out what you can do for $3.29. There would certainly be an impact; we are not prepared to do that today since it would be a variety of different things.

Chairman Smithson stated his position has always been that he didn't want to tell DAS how many times to empty a waste paper basket. Chairman Smithson stated he didn't know what the differences would be between $3.41 and $3.29 - I don't know what they would do differently so it is hard to answer the question about what services I don't want.

Cindy Axne stated if it really is a matter of twelve cents, if that is the make or break deal, we agree to $3.29 with the understanding that DAS will have the opportunity to go back and look at the services and determine how they are going to reduce the service level to get to that $3.29. That is the only fair way to go about determining that number.

Marcia Spangler stated the reason she has trouble with the number is that her department has never been successful in getting any increase for DAS rates through the Governor's office. Our Governor's Rec, we put it in year after year and they have been denied. I have all the trust in the world for DAS staff and for what they have done but my trust is whether I am going to get funded as an agency for those increases and so far the answer has been no for my department.

Chairman Smithson stated his personal preference would be to start with the $3.41 and let the appropriation process work itself out through the summer and through the fall and if that needs to be adjusted downward. If we set it to low I don't know that it will ever be fixed. Ray Walton stated he thinks the Council has seen a history of responsible rates by GSE with nineteen reductions over the years.

MOTION – Secretary Williams advised the motion made by Marcia Spangler and seconded by Mark Brandsgard was for a rate $3.29 for FY2010. Rational was a status quo from the FY09 rate plus four cents for Space Management. Jennifer St. John – No, Margaret Thomson – Yes, Marcia Spangler – Yes, Mark Brandsgard – No, Peggy Sullivan – Yes, Dave Heuton – Yes, Charlie Smithson – No. Motion passes.

Laura Riodian asked – the Fleet rate which failed – how do we handle this? Currently we do not have an approved rate for FY2010.

DOM stated they would like to see a rate and they do understand the Council's concern over figuring out where the $290,000 is offset, really it is about $180,000 because the other percentag, DAS has indicated where it went. Dale Schroeder added to this pointing out the mail rates did go down by $64,600 dollars and that is part of the $180,000 that we need to identify – mail rates were not a status quo, they actually were a reduction.

Director Anderson recommended that if the Council does not feel comfortable with the information, it would be better for DAS to provide that and have a conference call meeting next week.

Marcia Spangler asked a procedural question – once the Council gets that information – let's say we find out the $115,000 has actually gone into the Association rates, can we go back and amend our vote – can we take another vote on the Association rate if that is impacted – since that knowledge would have perhaps impacted my vote on the association rate. Chairman Smithson stated he believed that anyone who voted in the majority can file a motion to reconsider. The time limit on this would expire when the meeting is adjourned.

Chairman Smithson advised we would not adjourn this meeting – this meeting will remain open until the completion of the information and conference call and then will complete the meeting.

Comments

Meeting recessed at 11:30am – to be brought back into session via conference call or in person on Monday, June 23 at 1:00pm

Meeting Reconvened – Monday, June 23, 2008 @ 1pm

Members Present:
Charlie Smithson (via phone), John Baldwin (via phone), Jennifer St. John (via phone), Marcia Spangler (via phone), Keith Hyland (via phone), Mark Brandsgard (via phone), Peggy Sullivan (via phone), Margaret Thomson (via phone).

Members Not Present:
Dave Heuton, Ann Clary, Greg Anliker, John Connors, Bob Straker

Others Present:
Mollie Anderson, DAS Director; Ray Walton, DAS/GSE – COO; Debbie O'Leary, DAS/GSE; Dale Schroeder, DAS/GSE; Tim Ryburn, DAS/GSE; Tera Granger, DAS; Nancy Williams, DAS/GSE; Barbara Bendon, DAS/GSE; Cindy Axne, DOM; Julie Sterk, DAS/Finance; Patricia Lantz, DAS; Laura Riordan, DAS; Paul Carlson, DAS/GSE; Pat Mullenbach, DAS/Finance.

Roll Call
Roll Call by Secretary Williams

Recap of 6/20/08 items discussed on June 20, 2008

Director Anderson briefly recapped the items discussed and the motions made during the June 20, 2008 meeting. Marcia Spangler asked to clarify from that meeting – that she did not make a motion to reconsider the association rates, she just asked the question about whether she could. Director Anderson (referring to the draft minutes from the meeting) concurred that Marcia Spangler had only asked a procedural question.

FY2010 Fleet Management Rate

Ray Walton discussed the hand-outs (which were e-mailed to members and attached to the minutes), in detail, answering questions regarding the proposed Fleet Management rate.

MOTION: Keith Hyland moved to approve the Fleet Management increase of $289,193.64 (approximately $21.37 per vehicle) for FY2010. Margaret Thomson seconded the motion. Roll Call Vote: Charlie Smithson – Yes; John Baldwin – Yes; Jennifer St. John – Yes; Marcia Spangler, Yes; Keith Hyland – Yes; Mark Brandsgard – Yes; Peggy Sullivan – Yes; Margaret Thomson – Yes. Motion passed.

FY2010 Association Rate

Director Anderson stated the other action to discuss is whether the FY2010 rate for Association which was set at $3.29 (with staff recommendation of $3.41), is whether the $3.29 is still what the Council wants to set. Marcia Spangler stated she is comfortable with the rate of $3.29 which was set on Friday. Director Anderson advised this results in about a $94,000 reduction in the proposed budget and it will have to be determined how this will be reflected in services.

Director Anderson stated if there was no further business, DAS will send the rates the Council has set to DOM along with a communication on all the rates and an asterisk on the Association Rate that DAS would need to reconsider the level of service we could provide if this rate is set.

Director Anderson stated she does appreciate the work the GSE Customer Council has done and thanked all members for serving on this Council. She also thanked Charlie Smithson for serving as Chairman of this group.

Meeting adjourned at 1:45 p.m.

Respectfully submitted

Nancy Williams
Secretary